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UNITED STATES DEPARTMENT OF AGRICULTURE  
FARM SECURITY ADMINISTRATION

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PROVISIONAL ACCOUNTING SYSTEM  
FOR  
COOPERATIVE ASSOCIATIONS

*Jones*





## Foreword

The provisions contained herein supersede any former instructions which have been issued as to cooperative accounting and financial reports.

The following outlines a provisional system for handling the accounts of cooperative associations which have obtained loans from the Farm Security Administration, and which are under the supervision of the Resettlement Division.

The form of statements to be forwarded to the Washington office is prescribed, and reports should be made strictly in accordance with such forms. The exhibits showing accounting books of record and accounting forms are included as suggestions. Individual variations may be made both in books of entry and forms used, depending upon the size and scope of activities of the individual cooperative.

In setting up or revising the accounting system for a cooperative, the following essentials should be borne in mind:

- (1) That the system be based upon sound accounting principles, providing for handling the accounts in such manner that an internal check of accounting records is provided.
- (2) That a definite segregation be made in the accounting records as to the operations of the various enterprises maintained by the cooperative.
- (3) That the records kept will provide the information required by the Washington office in such a manner that reports may be prepared promptly.





### Chart of Accounts

Attached hereto as Exhibit "A" is a chart of accounts to be used in setting up the general ledger accounts of the cooperative. Each cooperative should, of course, use only those accounts applicable to its particular activities. Additional accounts may be added by individual cooperatives if need for them arises, subject to approval by the Washington Office.

The numbers assigned to the accounts should be preceded by a letter indicating the individual enterprise to which the account applies. For example, store cash sales would be designated S-401.

After the chart of accounts has been determined, all supervisory personnel should be furnished with a copy, and all requisitions, purchase orders, pay rolls, or other invoices, thereafter must indicate distribution to the applicable accounts.

### Preparation of Statements and Reports

All periodical statements and reports will be made up with a minimum of an original and five copies to be distributed as follows:

- \*(1) Two copies to the cooperative association.
- (2) One copy to the community manager.
- (3) One copy to the regional director.
- (4) One copy to the regional Finance and Control manager.
- (5) One copy to the Administrator, Washington, D. C., Refer to:  
Finance and Control Division.

\* NOTE: One of the copies of the report furnished to the association will ultimately be sent to the Administrator, Washington, D. C., Refer to: Resettlement Division, in accordance with the revised paragraph 3c I A of Part 4, Page 4, Administration Data 28.

Letter of Appreciation

Reference is made to Exhibit "A" which is herewith attached to this letter. It is requested that you cause the same to be placed in the files of the Department of the Interior, Bureau of Land Management, and to be made available to the public. It is also requested that you cause the same to be placed in the files of the Department of the Interior, Bureau of Land Management, and to be made available to the public.

The Bureau of Land Management is the agency responsible for the management and disposal of the public lands of the United States. It is requested that you cause the same to be placed in the files of the Department of the Interior, Bureau of Land Management, and to be made available to the public. It is also requested that you cause the same to be placed in the files of the Department of the Interior, Bureau of Land Management, and to be made available to the public.

Enclosure

All pertinent records and reports will be made available to the public. It is requested that you cause the same to be placed in the files of the Department of the Interior, Bureau of Land Management, and to be made available to the public.

- (1) The Bureau of Land Management is the agency responsible for the management and disposal of the public lands of the United States.
- (2) It is requested that you cause the same to be placed in the files of the Department of the Interior, Bureau of Land Management, and to be made available to the public.
- (3) It is also requested that you cause the same to be placed in the files of the Department of the Interior, Bureau of Land Management, and to be made available to the public.
- (4) The Bureau of Land Management is the agency responsible for the management and disposal of the public lands of the United States.
- (5) It is requested that you cause the same to be placed in the files of the Department of the Interior, Bureau of Land Management, and to be made available to the public.
- (6) It is also requested that you cause the same to be placed in the files of the Department of the Interior, Bureau of Land Management, and to be made available to the public.

Respectfully,  
Bureau of Land Management

Very truly yours,  
Director, Bureau of Land Management  
U.S. Department of the Interior  
Washington, D.C. 20240



A balance sheet will be prepared as of December 31 of each year, as per the form shown as Exhibit "B". Schedules in support of the balance sheet will be prepared as indicated. It is not intended that the schedules called for under "Accounts Receivable" and "Accounts Payable" contain a detailed listing of individuals, but a listing by classification as indicated by the chart of accounts.

Aging of accounts receivable should be made by classifying accounts as to current and delinquent. All accounts which have been on the books for a period of six months or more should be considered as delinquent.

Operating statements will be prepared for each month's operations, as per the forms shown as Exhibits "C", "D" and "E". For such seasonal agricultural enterprises as hog farms, poultry, and crop farms, an operating statement will be prepared only at the time physical inventory is taken. For months in which a physical inventory was not taken, a statement covering the expenditures and income of such agricultural enterprises will be prepared as per the form shown as Exhibit "F". A separate statement should be prepared for each such enterprise.

The monthly expenditure statement for seasonal agricultural enterprises should carry an explanation as to the amount invested in the activity, together with comment as to any unusual expenditure during the month. For example, the statement for the crop farm





should show the number of acres planted in various crops, the status of the crops, and the estimated yield, when possible.

Physical inventories of various enterprises will be taken as follows:

Store and other non-agricultural enterprises - physical inventory should be taken at least quarterly. Operating statements for those months in which an inventory is not taken will be based upon estimated inventories.

Hog Farm - physical inventory should be taken once a year as of December 31.

Dairy Farm - physical inventory should be taken once a year as of December 31. Inventory should also be taken as of June 30, if it is considered that there is any exceptional reason for doing so, such as a large increase or decrease in the value of the herd, irregularity in operation, or frequent complicating transactions such as inter-departmental transfers. The dairy farm should be considered not as a seasonal agricultural unit, but as an enterprise having a more or less regular income and expenditure each month. Therefore, a monthly operating statement should be drawn up in the same manner as for any other non-seasonal operation.

The inventory on which such an operating statement will be based need not be taken on a complete physical basis each month.





The feed and supplies inventory can be estimated at the end of each month by adding purchases, or other additions, such as interdepartmental transfers to the opening inventory, and subtracting estimated consumption during the past month, and other depletions, such as interdepartmental transfers, from the opening inventory.

Poultry - physical inventory will be taken annually as of December 31. These inventories should be priced at cost, or at the market price less cost of transportation to the market, whichever is lower. In cases where records are not maintained in sufficient detail to determine cost with reasonable accuracy, the market valuation should be used.

Work animals and livestock comprising permanent herds will be carried on the books at cost, and will be depreciated at a rate reflecting the estimated useful life of the animal. Accretions resulting from births should be set up in the unmatured herd account, valued at market price, and credited to unrealized income. This is the only purpose for which the unrealized income account should be used. Upon reaching maturity, the animal should be transferred to the matured herd account. No depreciation should be taken on the unmatured herd account.

A statement of Allotments, Advances, Disbursements, and Cash Balances, segregated as to enterprises, will be prepared as of the close of each month, as per Exhibit "G" (Revised).<sup>\*</sup> The encumbrance column should include all outstanding purchase orders and unpaid bills. The disbursements for each enterprise will be detailed on a separate schedule, as per Exhibit "H" (Revised).

\* Detailed instructions as to the preparation of this report together with a sample report covering a period of five months, directly follow Exhibit "F".





A suggested form for recording encumbrances to be used in the preparation of Exhibit "G" is shown on Exhibit "I".

A summary of the bank reconciliations will be forwarded with the monthly report. This statement should show, in addition to the numerical reconciliation of the account, the number of checks and the total amount outstanding for a period of three months or more.

A list of outstanding checks should be made out by the book-keeper each month and submitted to the Community Manager. This list should be kept on file by the Community Manager so as to be readily available if required at any time by the Regional or Washington offices.

Subsidiary ledgers should be maintained for the various types of accounts receivable. These detailed records should, of course, be kept in agreement with the general ledger controlling account. A statement should be forwarded with each monthly report to the effect that "all subsidiary ledgers are in agreement with the respective general ledger controlling accounts", if such is the case. If any subsidiary ledger is not in agreement with the controlling accounts, a statement to this effect should be made giving the amount of the difference.

#### Cash Receipts

Wherever feasible arrangements should be made to have all cash receipts paid in to the general cashier (with the exception, of course,





of those departments having a large volume of retail sales such as the store). The general cashier and all other individuals authorized to receive cash should have issued to them receipt books, arranged in duplicate, the duplicate copy to remain in the book. These receipts should have serially imprinted numbers. This does not apply, of course, to the individuals using cash registers.

In some cases payment will be made to the general cashier for goods to be delivered by one of the enterprises. In such cases, the cashier will issue to the buyer a receipt and an order to the manager of the enterprise to deliver certain specified goods.

A report of transactions, including cash receipts, should be prepared daily for each enterprise by the supervisor of the enterprise or his designee, (and by the general cashier for cash paid to him as described above). This report should also show sales on open account and transfer sales. The accounts receivable sales slips and transfer slips should be attached to the report. Cash registers should be used for all activities whenever feasible, and the daily cash report should show the register readings. Suggested forms for different types of activities are attached as Exhibits "J" and "K".

These reports are to be prepared in duplicate, and turned over with the cash received to the general cashier. The general cashier will sign his receipt for the cash on both copies of the report, returning one copy to the supervisor of the enterprise.





The general cashier will prepare from the individual enterprise cash reports, a daily summary of cash receipts and credit and transfer sales. A suggested form for this daily summary is attached as Exhibit "L".

The information contained on the daily cash summary should be entered in the Cash Receipts, Disbursement and Sales Journal. A suggested form of this journal is attached hereto as Exhibit "M".

(1) Cash Receipts - This form provides columns for the amount of cash received, with distribution to Sales and Accounts Receivable for the various enterprises, together with a "General" column for all other credit items.

(2) Credit Sales - This form provides columns for the total amount of credit sales, with distribution to the various enterprises, together with a "General" column for items not provided for in other columns. Postings from this section of the journal to the general ledger should be made by a double posting from the totals of the distribution columns, no posting being made from the "Total Amount" column. For example, if there was a total of \$500.00 in poultry credit sales for the month, the total of the column would be posted as follows:

Dr. Accounts Receivable - Poultry	\$500.00	
Cr. Sales - Poultry		\$500.00



- (3) Cash Disbursements - While all currency disbursements should be made from the petty cash fund, if it is found necessary to make disbursements out of cash receipts, provision is made for recording same in this journal. Columns are provided to show the amount disbursed and its distribution as to the various enterprises. The information is obtained from the daily cash summary statements.

#### Transfer Sales

A memorandum record of transfer sales should be prepared from the daily report of transactions, and at the close of the month, the totals of transfer sales as shown by the record may be journalized in the general journal.

#### Purchasing

Requisitions for purchases desired should be made by enterprise supervisors or the purchasing agent, with the approval of the co-operative manager. A suggested form for such requisition is shown as Exhibit "N". For cash purchases made by the store, the delivery ticket when approved by store manager may be used as the purchase requisition.

Upon receipt of a purchase requisition, a purchase order will be prepared by the purchasing agent. The delivery ticket above mentioned may be affixed to a purchase order to avoid typing all small store purchases. A suggested form for purchase orders is shown as Exhibit "O".





Purchase order forms should be numbered consecutively, and prepared in original and two copies. The original should be forwarded to the vendor, the duplicate should be transmitted to the supervisor of the enterprise who requisitioned the purchase, and the triplicate should be forwarded to the accounting department for entry as to encumbrance of funds, and returned to the purchasing officer and filed by serial number.

Upon receipt of the goods ordered, the enterprise supervisor receiving the goods should check the goods received and sign the purchase order and the invoice as "Materials Received", or note any differences or shortages. The purchase order and the invoice should be sent to the accounting department, where the invoice will be verified as to discounts, numerical correctness and extensions of unit prices. Voucher form check covering the invoice and distributing the expenditure to proper account numbers should be prepared and forwarded for signature with the O.K.'d purchase order and invoice attached. If voucher form check is not used distribution should be made on invoice or purchase order. After check has been signed and countersigned, the purchase order and invoice will be returned to the accounting department, and the purchase order filed alphabetically by vendor's name.





In some cases it is found difficult to procure invoices from vendors, and in such cases it is desirable to have the vendors sign a statement on the purchase order to the effect that the goods have been delivered. Such a statement should read as follows:

"Vendor's Certificate:

The items listed in the above order were delivered, as instructed in the order, on \_\_\_\_\_, 193\_\_, and the amount shown hereon is correct.

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Vendor"

All purchase orders should be signed by the accountant as to availability of funds for the particular enterprise requesting the purchase before being released.

Check Register

A suggested form of check register is shown on Exhibit "P", the column headings of which are self-explanatory. Each check should be numbered serially and checks should be used in numerical order. The Construction and Expense account columns must be summarized at the close of each month before posting to the general ledger.

Payrolls

A daily time record should be kept of employment on each enterprise. Distribution of time may be procured by field check of timekeepers on large operations, or from foremen's reports on small operations. A suggested form is shown on Exhibit "Q". This record should be signed by the timekeeper and the enterprise supervisor. The daily time sheets should be summarized by the payroll clerk in a payroll register, a suggested form of which is shown on Exhibit "R".



Provision of receipt signature of payee should be made, either by:

- (1) Signature in the payroll register; or
- (2) Signature of an individual receipt prepared in advance.

Postings will be made from the payroll register to the general ledger, crediting the payroll liability account for the net amount of pay due.

When a payroll check is presented for signature and counter-signature, it should be accompanied by a recapitulation sheet showing the distribution of the total amount of the payroll to the various accounts.

In cases where employees are paid in currency, one check may be drawn for the total amount of the payroll and entered in the check register as a debit to "Payroll". In cases where employees are paid by individual checks, the checks covering any one payroll may be entered as one item in the check register, indicating the check numbers, and entering the total amount of the checks issued.

#### General Journal

The general journal, which is used for recording those transactions which are not entered in the other books of original entry may be in one of two forms:

- (1) A bound book with debit and credit columns at the right of each sheet.
- (2) A journal voucher loose-leaf form, with each journal voucher numbered. These vouchers should be filed in a binder in numerical order.





### General Ledger

Any standard form of loose-leaf general ledger sheet may be used, the accounts to be arranged in order as indicated by the Chart of Accounts.

### Accounts Payable

Since the cooperatives are operated on a budget, all bills should be paid promptly, and there should be no substantial amount of accounts payable outstanding at any one time. For this reason, no provision has been made for an Accounts Payable Journal. Those accounts which are outstanding at the close of the month should be entered in the general journal.

### Depreciation

Depreciation should be entered on the books each month for those fixed assets which are subject to reduction in value through use and obsolescence. A list of recommended depreciation rates is attached hereto as Exhibit "S". The rates presented conform to rates published by the Bureau of Internal Revenue, with the exception of the rate on office furniture and fixtures. If the cooperative has fixed assets not included in this list, the depreciation rate may be obtained from the Bureau of Internal Revenue, from the Collector of Internal Revenue in your district, or from this office.

### Administrative Expense and Other Distribution

At the close of each month, the administrative expenses should be distributed to expense accounts under the various enterprises, on a basis to be determined by the manager.





Care should be exercised to see that all materials and services used on each enterprise are properly charged to the enterprise. A careful check should be made of all materials purchased for general use and stored in warehouses, to see that the appropriate enterprise is charged when such materials are requisitioned. Failure to do this will result in inaccurate operating statements.

# Administrative expense of the cooperative, which cannot be readily allocated directly to an individual enterprise at the time the obligation is incurred or the disbursement made, should be distributed to the individual enterprise at the close of the month. This distribution of indirect administrative expense should be made proportionately to the various enterprises on the basis of sales of goods or services; however, the community manager may authorize deviation from this basis of distribution when he considers such action warranted by circumstances. Whenever distribution is made on the basis other than sales, a written explanation of the reasons for such change should be prepared by the community manager and included in the monthly report.

# The above method of distributing indirect administrative expense will not apply to interest on loans. Interest on loans should be charged to the individual enterprise on the basis of the amount actually advanced from the principal bank account to the subsidiary bank account for the use of the individual enterprises. Interest on the unadvanced portion of the loan should not be distributed. It should be carried on the operating statement under the "Total" column as "Undistributed Interest Expense".

# Paragraphs contain new material on the distribution of administrative expenses among enterprises.



General

Any questions as to accounting problems not covered by this outline should be submitted to this office through the office of the regional Finance and Control manager.

This outline is subject to additions and revisions as the need for same may arise.





CHART OF ACCOUNTS

## ASSETS

- 100 CASH:
  - 101 On Hand
  - 102 Petty Cash
  - 103 Change Fund
  - 104 Cash in Bank
- 110 ACCOUNTS RECEIVABLE:
  - 111 Members
  - 112 Non-Members
- 120 NOTES RECEIVABLES:
  - 121 Members - Secured
  - 122 Non-Members - Secured
  - 123 Members - Unsecured
  - 124 Non-Members - Unsecured
- 130 ACCRUED RECEIVABLE
  - 131 Interest on Investments
  - 132 Interest on Deposits
- 135 INVESTMENTS:
  - 136 Bonds
- 140 INVENTORIES:
  - 141 Merchandise
  - 142 Finished Goods
  - 143 Raw Material
  - 144 Work in Process
- 150 PREPAID AND DEFERRED ASSETS:
  - 151 Prepaid Rent
  - 152 Prepaid Taxes
  - 153 Fuel
  - 154 Materials and Supplies
  - 155 Deposits - Utilities
- 160 LAND:
- 165 IMPROVEMENTS:
  - 166 Buildings
  - 167 Fences
  - 168 Tiling and Drainage
- 170 MACHINERY - EQUIPMENT - TOOLS:
- 180 LIVESTOCK:
  - 181 Matured Herd
  - 182 Unmatured Herd
  - 183 Work Animals



- 185 CONSTRUCTION IN PROCESS:
  - 186 Labor
  - 187 Material
  - 188 Other Construction Costs

190 FURNITURE AND FIXTURES:

195 MISCELLANEOUS ASSETS:

## LIABILITIES

- 200 ACCOUNTS PAYABLE:
  - 201 Trade Creditors
  - 202 Social Security - Old Age Benefits
  - 203 Social Security - Unemployment Insurance
  - 204 Social Security - Payroll Deductions
  - 205 Gross Sales Tax

210 NOTES PAYABLE - SHORT TERM:

- 220 ACCRUALS:
  - 221 Payrolls
  - 222 Interest
  - 223 Taxes

230 NOTES PAYABLE - LONG TERM:

- 240 OPERATING RESERVES:
  - 241 Reverse for Doubtful Receivables - (Note 1)
  - 242 Reserve for Depreciation - (Note 2)

280 CAPITAL:

290 SURPLUS:

Note 1 - This should be placed in the general ledger after "Notes Receivable".

Note 2 - A separate reserve account should be set up for each asset account on which depreciation is taken, and placed in the general ledger after the asset account to which it applies. The individual reserve account should be designated by a letter suffix, such as 242-A, 242-B, etc.





## MANUFACTURING ACCOUNTS

300 PURCHASES:

310 FREIGHT-IN:

320 TRANSFERS IN:

330 DIRECT LABOR:

(340

(350 MANUFACTURING OVERHEAD:

341 Superfising Labor

342 Indirect Labor

343 Rent

344 Supplies

345 Heat - Light - Power - Water

346 Taxes

347 Telephone - Telegraph

348 Repairs - Maintenance

349 Insurance

351 Depreciation

352 Miscellane ous

## OPERATING ACCOUNTS

400 SALES:

401 Cash

402 Credit

403 Transfer

410 PURCHASES:

420 FREIGHT-IN:

430 TRANSFERS IN:

(440

(450 SELLING EXPENSES:

441 Salaries - Manager

442 Salaries - Staff

443 Indirect Labor

444 Rent

445 Materials - Supplies

446 Light - Heat - Power - Water

447 Wrappings and Containers

448 Taxes

449 Licenses

451 Insurance

452 Telephone - Telegraph

453 Repairs - Maintenance

454 Advertising - Sales Promotion

455 Depreciation

456 Delivery Expenses

457 Miscellaneous



## ADMINISTRATIVE ACCOUNTS - EXPENSES

501 Salaries - Office Manager  
502 Salaries - Office Staff  
503 Salaries - Office Labor  
504 Rent  
505 Stationery - Supplies  
506 Heat - Light - Power - Water  
507 Taxes  
508 Telephone - Telegraph  
509 Repairs  
511 Insurance  
512 Depreciation  
513 Postage - Express  
514 Bad Debt Losses  
515 Miscellaneous

## NON-OPERATING EXPENSES

701 Interest Earned  
601 Interest Expense  
602 Cash Shortage  
603 Income Tax  
604 Loss on Sale of Investments

## NON-OPERATING INCOME

701 Interest Earned  
702 Discount Earned  
703 Cash Overage  
704 Profit on Sale of Investments

## NET GAIN OR LOSS FOR THE PERIOD

800 Profit and Loss  
801 Unrealized Income





(Name of Cooperative) \_\_\_\_\_

## BALANCE SHEET AS OF \_\_\_\_\_, \_\_\_\_\_

ASSETS

## Current Assets:

Cash on Hand and in Banks (Schedule __)		\$	.....
Accounts Receivable (Schedule __)	\$	.....	
Notes Receivable (Schedule __)	.....	\$	.....
Less: Reserve for Doubtful Receivables			.....
Accrued Receivables (Schedule __)			.....
Investments			.....
Inventories (Schedule __)			.....
Total Current Assets			\$ ..... .....

## Prepaid and Deferred Assets (Schedule \_\_)

## Fixed Assets:

Land		\$	.....
Improvements	\$	.....	
Less: Reserve for Depreciation			.....
Construction in Process			.....
Machinery and Equipment	\$	.....	
Less: Reserve for Depreciation			.....
Livestock (Work and Breeding Stock)	\$	.....	
Less: Reserve for Depreciation			.....
Furniture and Fixtures	\$	.....	
Less: Reserve for Depreciation			.....
Total Fixed Assets			..... .....
Total Assets			\$ ..... .....

LIABILITIES AND NET WORTH

## Current Liabilities:

Accounts Payable (Schedule __)	\$	.....
Notes Payable - Short Term		.....
Accruals (Schedule __)		.....
Total Current Liabilities		\$ ..... .....

## Fixed Liabilities:

Notes Payable - Long Term	\$	.....
Mortgage Notes Payable		.....
Total Fixed Liabilities		..... .....

## Operating Reserves

Total Liabilities		..... .....
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## Net Worth:

Share Capital	\$	.....
Surplus (Schedule __)		.....
Total Net Worth		..... .....

Total Liabilities and Net Worth		\$ ..... .....
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(Name of the Cooperative) \_\_\_\_\_

OPERATING STATEMENT

For the period from \_\_\_\_\_ to \_\_\_\_\_

No expenditures for capital assets should be included in this report. Such expenditures are reported on Schedule of Disbursements (Exhibit "H").

	Total	Enterprise A	Enterprise B	Enterprise C	Enterprise D
Gross Sales:					
Cash	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Credit	.....	.....	.....	.....	.....
Transfers	.....	.....	.....	.....	.....
Total Sales	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Less - Returns and Freight-Out	.....	.....	.....	.....	.....
Net Sales	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Deduct - Cost of Goods Sold	.....	.....	.....	.....	.....
* (Schedule Exhibit D or E)					
Gross Profit	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Deduct - Selling Expenses	.....	.....	.....	.....	.....
(Schedule _____)					
Deduct - Administrative and General Expenses	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
(Schedule _____)					
Net Operating Profit	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Add - Other Income (Schedule _____)	.....	.....	.....	.....	.....
Unrealized Income	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Deduct - Other Expense	.....	.....	.....	.....	.....
(Schedule _____)					
Net Income for the Period	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....

\* Schedule attached must include unsold goods and work in process valued at actual cost to date of the Report, as illustrated by Exhibit "D" or "E".





(Name of Cooperative)

COST OF GOODS SOLD (MANUFACTURING, PRODUCING OR PROCESSING UNITS)

Inventory of Finished Goods (Beginning of Period)		\$	.....
Add: Cost of Goods Manufactured:			
Inventory of Work in Process (Beginning of Period)		\$	.....
Materials:			
Inventory of Raw Materials (Beginning of Period)	\$	.....	
Purchases, including Freight-In		.....	
Transfer from other operating units		<u>.....</u>	
	\$		
Less: Inventory of Raw Materials (End of Period)		<u>.....</u>	
Total Materials			.....
Direct Labor			.....
Manufacturing Overhead:			
Supervising Labor	\$	.....	
Indirect Labor		.....	
Rent		.....	
Supplies		.....	
Heat, Light, Power and Water		.....	
Taxes		.....	
Telephone and Telegraph		.....	
Repairs and Maintenance		.....	
Insurance		.....	
Depreciation		.....	
Miscellaneous		<u>.....</u>	
Total Manufacturing Overhead			<u>.....</u>
	\$		.....
Deduct: Inventory of Work in Process (End of Period)		<u>.....</u>	
Cost of Goods Manufactured			<u>.....</u>
	\$		.....
Deduct: Inventory of Finished Goods (End of Period)		<u>.....</u>	
Cost of Goods Sold			<u>.....</u>
	\$		<u>.....</u>



(Name of Cooperative)

## COST OF GOODS SOLD (FOR TRADING UNITS)

Inventory, Beginning of Period		\$ .....
Add: Purchases	\$ .....	
Transfers from Other		
Departments	<u>.....</u>	<u>.....</u>
Deduct: Inventory, End of		
Period		<u>.....</u>
Cost of Goods Sold		<u>\$ .....</u>





(Name of the Cooperative) \_\_\_\_\_

MONTHLY EXPENDITURE AND INCOME STATEMENT  
FOR A SEASONAL AGRICULTURAL ENTERPRISE

For the Month Ended \_\_\_\_\_

	(Current Month)	(Cumulative)
Purchases and Freight-In (Including Transfers In)	\$ .....	\$ .....
Expenses:		
_____	.....	.....
_____	.....	.....
_____	.....	.....
_____	.....	.....
Total Purchases and Expenses	\$ .....	\$ .....
Add: Inventory at Beginning of Period (for Cumulative column only)	xxxxxxx	.....
	xxxxxxx	\$ .....
Deduct: Income During Period	.....	.....
Balance	\$ .....	\$ .....

Explanation:



Preparation of the  
"Statement of Allotments, Advances, Disbursements and Cash Balances"  
by Enterprises. (See sample Exhibit "G" (Revised) following)

1. Exhibit "G" (Revised) is part of the monthly accounting reports and is also required in support of every request of the cooperative associations for advance of loan proceeds (Form FSA-MA 160). All persons concerned with the execution and the approval of these Forms should have a full understanding of the use of Exhibit "G" (Revised).
2. This statement should be cumulative from the beginning of the operations through the month for which the report is being made.
3. Allotments should agree with the approved Schedule of Purposes and approved amendments thereto. The allotments, advances, receipts, disbursements and encumbrances for each enterprise should be separated as to "Fixed Capital" and "Operating Capital" in all instances where the allotments were made to both types of capital in the approved Schedule of Purposes and approved amendments thereto.
4. In cases where funds already advanced on approval budget requests have been transferred from one enterprise to another, according to procedure given in the Administrator's letter, subject "Advance of Loan Funds to Cooperative Associations - Use of Forms FSA-MA 160 and FSA-MA 161", the transfer should be entered in the "Transfer of Advances" column in black figures for the enterprise receiving the advances, and in red figures (or parentheses) for the enterprise transferring the advance. Such transfers will be recorded only after approval by the regional office.
5. In cases where loans of cash receipts have been made from one enterprise to another, according to procedure given in the above-mentioned letter, entry should be made in the "Inter-enterprise Loans" column, in black figures for the enterprise receiving the loan, and in red figures (or parentheses) for the enterprise making the loan. Such loans will be recorded only after approval by the regional office. Inter-enterprise loans concern operating receipts only. Funds received from the sale of fixed assets cannot be loaned from one enterprise to another.
6. It will be necessary to maintain a memorandum record of all approved transfers of advances and inter-enterprise loans. The columns "Authorized Transfer of Advances" and "Inter-enterprise Loans" should be self-balancing, giving a total of zero.
7. The "Net Total Receipts" column will be the net total of the four preceding columns, making deductions, of course, for all negative figures.
8. CARE SHOULD BE EXERCISED TO SEE THAT ALL ENCUMBERING DOCUMENTS ARE CLEARED THROUGH THE COOPERATIVE ASSOCIATION'S ACCOUNTING OFFICE, AND THAT NO ENCUMBRANCES AGAINST ANY ALLOTMENT ARE MADE BEFORE OBTAINING A STATEMENT FROM THE ACCOUNTANT THAT FUNDS ARE AVAILABLE TO FINANCE SUCH ENCUMBRANCES. THE COMMUNITY MANAGER SHOULD NOT ENCUMBER FUNDS BEYOND AVAILABLE BALANCES. IF RED FIGURES ARE SHOWN IN COLUMNS 10 or 12, AN EXPLANATORY FOOTNOTE SHOULD BE INCLUDED AND SIGNED BY THE COMMUNITY MANAGER.





9. A line has been provided on Exhibit "G" (Revised) for "General Receipts and Disbursements". On this line receipts which are not applicable to individual enterprises should be entered under column 6, and disbursements which are not distributed to individual enterprises should be entered under column 9. Receipts from sale of stock or from membership fees, and disbursements for Organization Expense, Undistributed Interest, and Prepaid Expense are the type of items which would be reported as general receipts and disbursements. The nature of the items carried under "General Receipts and Disbursements" should be explained in footnotes.
10. In cases where the loan is being made in instalments, the breakdown of the total amount of the loan should be shown in column 2, and the resulting balance of allotments in column 3. From the totals of these columns should be deducted the "Unadvanced Balance of Loan Proceeds". The difference under column 2 will be the loan balance at the date of the report; the difference under column 3 will be the remaining balance of allotments from the loan actually made at the date of the report.
11. For example, a cooperative's total proposed loan is \$30,000, of which \$20,000. has been loaned. Of this \$20,000., \$5,000. has been advanced from the principal bank account to the subsidiary bank account for expenditure by the cooperative. The report would present this situation as follows:

	<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
		Allotments	Balance of Allotments	Advances
Total		\$30,000.00	\$25,000.00	<u>\$5,000.00</u>
Less: Unadvanced Balance of Loan Proceeds		<u>10,000.00</u>	<u>10,000.00</u>	
Loan Balance (Date of report)		<u>\$20,000.00</u>	<u>\$15,000.00</u>	

12. The attached sample report indicates the manner in which authorized transfer of advances and inter-enterprise loans should be shown on the report form. During the second month of operation, \$1,000. was transferred from advances made on Enterprise A, operating capital, to advances on Enterprise B, operating capital. This is shown by recording the amount in column 5 as a negative figure for Enterprise A, operating capital, and a positive figure for Enterprise B, operating capital. This transaction also affects the entry in column 3, Balance of Allotments, by increasing the balance under Enterprise A, operating



12. capital, and decreasing the balance under Enterprise B, operating capital. A transfer of advances should be entered under column 5 on the report for the month in which the transfer is made. In the succeeding months, the transfer will be absorbed in the advances listed in column 4. This is illustrated by the entries in the "Advances" column.
13. During the third month of operation, Enterprise A lends \$500. from its operating receipts to the operating capital of Enterprise B. This is shown by the recording of the amount in column 7 as a negative figure for Enterprise A, operating capital, and a positive figure for Enterprise B, operating capital. The balance of allotments under column 3 will not be affected by this transaction.
14. Reports of inter-enterprise loans should continue in column 7 as long as the loan is outstanding. This is illustrated by the sample report for the fourth month. During the fifth month, Enterprise B repays the \$500. to Enterprise A, and this transaction is reflected on the report by showing no outstanding loan in column 7.





COOPERATIVE ASSOCIATION  
Statement of Allotments, Advances, Disbursements and Cash Balance by Enterprises  
Per Economic Justification  
of Loans as of (Date)

Exhibit "G" (Revised)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Enterprises	Allotments	Balance of Allotments	Advances	Authorized Transfer of Advances	Cash Sales and Other Receipts	Inter-enterprise Loans	Net Total Receipts	Disbursements	Cash Balance Current Month	Unliquidated Encumbrances	Unencumbered Cash Balance
Enterprise A											
Fixed Capital											
Operating Capital											
Enterprise B											
Fixed Capital											
Operating Capital											
General Receipts and Disbursements											
Totals											

Note: Give information by enterprises (separating as to fixed capital and operating capital) in accordance with the approved Schedule of Purposes and Economic Justification of the loan and approved amendments thereto, and a grand total for all enterprises (at the bottom of the form). See instructions for preparation and sample Exhibit "G" (Revised).



COOPERATIVE ASSOCIATION  
Statement of Allotments, Advances, Disbursements and Cash Balance by Enterprises  
Per Economic Justification  
of Loans as of \_\_\_\_\_ (Date)

Exhibit "G" (Revised)  
(Sample report  
covering five months)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Enterprises	Allotments	Balance of Allotments	Advances	Authorized Transfer of Advances	Cash Sales and Other Receipts	Inter-enterprise Loans	Net Total Receipts	Disbursements	Cash Balance Current Month	Unliquidated Encumbrances	Unencumbered Cash Balance
<u>1st Month</u>											
Enterprise A:											
Fixed Capital	\$ 5,000.00	\$ 2,500.00	\$ 2,500.00		\$ -0-		\$ 2,500.00	\$ 2,200.00	\$ 300.00	\$ 200.00	\$ 100.00
Operating Capital	15,000.00	5,000.00	10,000.00		2,000.00		12,000.00	4,000.00	8,000.00	1,000.00	7,000.00
Enterprise B:											
Fixed Capital	2,000.00	1,000.00	1,000.00		-0-		1,000.00	500.00	500.00	200.00	300.00
Operating Capital	10,000.00	2,000.00	8,000.00		-0-		8,000.00	7,000.00	1,000.00	300.00	700.00
<u>Total</u>	<u>\$32,000.00</u>	<u>\$10,500.00</u>	<u>\$21,500.00</u>		<u>\$2,000.00</u>		<u>\$23,500.00</u>	<u>\$13,700.00</u>	<u>\$9,800.00</u>	<u>\$1,700.00</u>	<u>\$8,100.00</u>
<u>2nd Month</u>											
Enterprise A:											
Fixed Capital	\$ 5,000.00	\$ 2,000.00	\$ 3,000.00		\$ -0-		\$ 3,000.00	\$ 2,800.00	\$ 200.00	\$ 150.00	\$ 50.00
Operating Capital	15,000.00	6,000.00	10,000.00	(\$1,000.00)	3,000.00		12,000.00	6,000.00	6,000.00	1,200.00	4,800.00
Enterprise B:											
Fixed Capital	2,000.00	500.00	1,500.00		-0-		1,500.00	1,200.00	300.00	100.00	200.00
Operating Capital	10,000.00	1,000.00	8,000.00	1,000.00	-0-		9,000.00	8,000.00	1,000.00	400.00	600.00
<u>Total</u>	<u>\$32,000.00</u>	<u>\$ 9,500.00</u>	<u>\$22,500.00</u>	<u>-0-</u>	<u>\$3,000.00</u>		<u>\$25,500.00</u>	<u>\$18,000.00</u>	<u>\$7,500.00</u>	<u>\$1,850.00</u>	<u>\$5,650.00</u>
<u>3rd Month</u>											
Enterprise A:											
Fixed Capital	\$ 5,000.00	\$ 1,000.00	\$ 4,000.00		\$ -0-		\$ 4,000.00	\$ 3,700.00	\$ 300.00	\$ 200.00	\$ 100.00
Operating Capital	15,000.00	6,000.00	9,000.00		4,000.00	(\$500.00)	12,500.00	8,500.00	4,500.00	1,000.00	3,500.00
Enterprise B:											
Fixed Capital	2,000.00	-0-	2,000.00		-0-		2,000.00	1,800.00	200.00	100.00	100.00
Operating Capital	10,000.00	1,000.00	9,000.00		-0-	500.00	9,500.00	9,000.00	500.00	50.00	450.00
<u>Total</u>	<u>\$32,000.00</u>	<u>\$ 8,000.00</u>	<u>\$24,000.00</u>		<u>\$4,000.00</u>	<u>-0-</u>	<u>\$28,000.00</u>	<u>\$22,500.00</u>	<u>\$5,500.00</u>	<u>\$1,350.00</u>	<u>\$4,150.00</u>





Exhibit "G" (Revised)  
(Sample report covering  
5 months - continued)

Enterprises	Allotments	Balance of Allotments	Advances	Authorized Transfer of Advances	Cash Sales and Other Receipts	Inter-enter- prise Loans	Net Total Receipts	Disburse- ments	Cash Balance Current Month	Unliquidated Encumbrances	Unencumbered Cash Balance
<u>4th Month</u>											
Enterprise A:											
Fixed Capital	\$ 5,000.00	\$ -0-	\$ 5,000.00		\$ -0-		\$ 5,000.00	\$ 4,200.00	\$ 800.00	\$ 300.00	\$ 500.00
Operating Capital	15,000.00	6,000.00	9,000.00		5,500.00	(\$500.00)	14,000.00	9,000.00	5,000.00	1,200.00	3,800.00
Enterprise B:											
Fixed Capital	2,000.00	-0-	2,000.00		-0-		2,000.00	2,000.00	-0-	-0-	-0-
Operating Capital	10,000.00	1,000.00	9,000.00		800.00	500.00	10,300.00	9,200.00	1,100.00	100.00	1,000.00
Total	<u>\$32,000.00</u>	<u>\$7,000.00</u>	<u>\$25,000.00</u>		<u>\$6,300.00</u>	<u>-0-</u>	<u>\$31,300.00</u>	<u>\$24,400.00</u>	<u>\$6,900.00</u>	<u>\$1,600.00</u>	<u>\$5,300.00</u>
<u>5th Month</u>											
Enterprise A:											
Fixed Capital	\$ 5,000.00	\$ -0-	\$ 5,000.00		\$ -0-		\$ 5,000.00	\$ 4,800.00	\$ 200.00	\$ 100.00	\$ 100.00
Operating Capital	15,000.00	6,000.00	9,000.00		6,000.00		15,000.00	10,200.00	4,800.00	800.00	4,000.00
Enterprise B:											
Fixed Capital	2,000.00	-0-	2,000.00		-0-		2,000.00	2,000.00	-0-	-0-	-0-
Operating Capital	10,000.00	-0-	10,000.00		1,800.00		11,800.00	10,000.00	1,800.00	200.00	1,600.00
Total	<u>\$32,000.00</u>	<u>\$6,000.00</u>	<u>\$26,000.00</u>		<u>\$7,800.00</u>		<u>\$33,800.00</u>	<u>\$27,000.00</u>	<u>\$6,800.00</u>	<u>\$1,100.00</u>	<u>\$5,700.00</u>





(Name of Cooperative)

## SCHEDULE OF DISBURSEMENTS

Accumulative from \_\_\_\_\_ to \_\_\_\_\_  
(date of inception)

	Total	Enter- prise A	Enter- prise B	Enter- prise C	Enter- prise D
Disbursements from Fixed Capital					
Land	\$.....	\$.....	\$.....	\$.....	\$.....
Buildings	.....	.....	.....	.....	.....
Fences	.....	.....	.....	.....	.....
Construction in Process	.....	.....	.....	.....	.....
Tiling and Drainage	.....	.....	.....	.....	.....
Machinery, Equipment and Tools	.....	.....	.....	.....	.....
Livestock	.....	.....	.....	.....	.....
Other Assets	.....	.....	.....	.....	.....
Payments on Liabilities	.....	.....	.....	.....	.....
Total Disbursements from Fixed Capital	<u>\$.....</u>	<u>\$.....</u>	<u>\$.....</u>	<u>\$.....</u>	<u>\$.....</u>
Disbursements from Operating Capital					
Inventory Purchased for Resale	\$.....	\$.....	\$.....	\$.....	\$.....
Payments on Liabilities	.....	.....	.....	.....	.....
Expenses	.....	.....	.....	.....	.....
Total Disbursements from Operating Capital	<u>\$.....</u>	<u>\$.....</u>	<u>\$.....</u>	<u>\$.....</u>	<u>\$.....</u>
General Disbursements	<u>\$.....</u>				
Total Disbursements	<u>\$.....</u>				

NOTE: Exhibit "H" (Revised ) has been arranged so as to reflect separation as to the disbursements from fixed capital, disbursements from operating capital, and general disbursements. The total reported on this Schedule should be in agreement with the total disbursements as reported in column 9 of Exhibit "G" (Revised).



MEMORANDUM RECORD OF COMMITMENTS AND ACCOUNTS PAYABLE

(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Year		Issued in Favor of	P.O. No.	Date Receipt of Goods	Check		Allotment	Advance	Receipts	Total Advance and Receipts	Encumbrances		Amount Paid	Amount of Discount	Balance Available
Mo.	Day				Number	Date					Authorized	Liquidated			
(A)							(A)								
(B)								(B)	(B)	(B)			(D)	(D)	(B)
(C)		(C)	(C)	(D)	(D)	(D)					(C)	(D)	(D)	(D)	(C) (D)

- (A) - Indicates columns affected by the entry of allotments. Plus to Col. 7  
(B) - Indicates columns affected by entry of advances and receipts. Col. 8 plus Col. 9 equals Col. 10; also column 15  
(C) - Indicates columns affected by entry of encumbrances. Plus to Col. 11 and minus to Col. 15  
(D) - Indicates columns affected by payment of obligations. Plus to Cols. 12, 13 and 14; and plus to Col. 15 only for difference between the encumbrance and the obligation paid. Entry in Col. 12 may not equal original encumbrance entry in Col. 11 even though the encumbrance is being fully liquidated.





(Name of Cooperative)

# DAILY REPORT OF TRANSACTIONS

Enterprise Store or Service Station

Register Readings			
Today		\$	
Yesterday's		\$	
Today's Receipts			\$
Cash Income			
Cash Sales			
Accounts Receivable - No. this day			
Total Cash Income			\$
Paid Outs			
	Misc.	Freight	Purch.
		In	
Returns - Allowances			
Total Paid Outs			
Net Cash Today			\$
Credit Sales - No. this day		\$	
Transfers			
Cash Received			
Compiled by			
Audited by			
Posted by			
Date		19	



(Name of Cooperative) \_\_\_\_\_

DAILY REPORT OF TRANSACTIONSEnterprise: Poultry

No. Employees Today \_\_\_\_\_

Supervisor: \_\_\_\_\_

NON-CASHCASHCREDIT SALESCASH SALES

Units	Wt	Price	Whse	Retail	Unit	Wt	Price	Whse	Retail
		Eggs:		\$			Eggs:		\$
		Hatching	Doz				Hatching	Doz	
		Market	Doz				Market	Doz	
		Fowl:					Fowl:		
		Broilers	Lb				Broilers	Lb	
		Other	Lb				Other	Lb	
		Turkeys	Lb				Turkeys	Lb	
			\$	\$				\$	\$
		Total	xxxx	xxxx			Total	xxxx	xxxx

TRANSFER SALES

Accounts Receivable Receipts \$

Total Receipts \$

Less: Paid Outs (See List Below \$

Net Total

Units	Wt	Price	Whse	Retail
		Eggs:	\$	\$
		Hatching		
		Market		
		Fowl:		
		Broilers		
		Other		
		Turkeys		
			\$	\$
		Total	xxxx	xxxx

PAID OUTS

\$

Total \$

FEED CONSUMED

LBS.

Remarks:

Scratch

Mash

Shell

Total

Dead Birds

No. of Eggs Gathered

No. Eggs to Incubator

No. Chicks Hatched

When Put In

Date

19





(Name of Cooperative)

## DAILY SUMMARY OF TRANSACTIONS

CREDIT SALES

Enterprise A	\$ _____
Enterprise B	_____
Enterprise C	_____
Total	\$ _____

CASH SALES

Enterprise A	\$ _____
Enterprise B	_____
Enterprise C	_____
Total	\$ _____

TRANSFERS

Enterprise A	\$ _____
Enterprise B	_____
Enterprise C	_____
Total	\$ _____

ACCTS. RECEIVABLE

Enterprise A	\$ _____
Enterprise B	_____
Enterprise C	_____
Total	\$ _____

CASH DISBURSEMENTS

<u>Purchases</u>	
Enterprise A	\$ _____
Enterprise B	_____
Enterprise C	_____
Total	\$ _____

Miscellaneous Receipts

Sales Tax	\$ _____
Membership Fees	_____
Membership Dues	_____
Rent	_____
Budget Request	_____

EXPENSES

Freight-In	_____
Laundry	_____
Advertising	_____
Telephone and Telegram	_____
Truck	_____
Supplies	_____
Miscellaneous	_____
Total Disbursements	\$ _____

Total Receipts	\$ _____
Less: Disbursements	_____
Daily Balance	_____
Add: Opening Balance	_____
Less: Deposits	_____
Net Cash on Hand	\$ _____

Compiled by: \_\_\_\_\_  
 Posted by: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Sheet No. \_\_\_\_\_





## RECEIPTS

[illegible]

CASH RECEIPT AND DISBURSEMENT JOURNAL - CREDIT SALES JOURNAL

POSTING MEDIA - DAILY SUMMARY OF TRANSACTIONS ONLY







## DISBURSEMENTS

[illegible]



Title



## Date \_\_\_\_\_

Consign To--

Please deliver in accordance with instructions above and the terms of any existing contract, agreement, accepted informal bid, or quotation, the articles or services listed below:

Please address all communications in relation to the fulfillment of this order to the above.





[illegible]

CHECK REGISTER

[illegible]





.....  
 (Name of Cooperative)

DAILY TIME RECORD

Certified by Timekeeper \_\_\_\_\_

Enterprise \_\_\_\_\_

Approved by Enterprise Supervisor \_\_\_\_\_

Period \_\_\_\_\_

Employees	Distri- bution	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total	Amount
		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Time Rate Earned
	(1)																	
	(2)																	
	(3)																	
	(4)																	
	(1)																	
	(2)																	
	(3)																	
	(4)																	
	(1)																	
	(2)																	
	(3)																	
	(4)																	
	(1)																	
	(2)																	
	(3)																	
	(4)																	

Note: (1) Supervising Labor  
 (2) Direct Labor  
 (3) Indirect Labor  
 (4) Office Labor





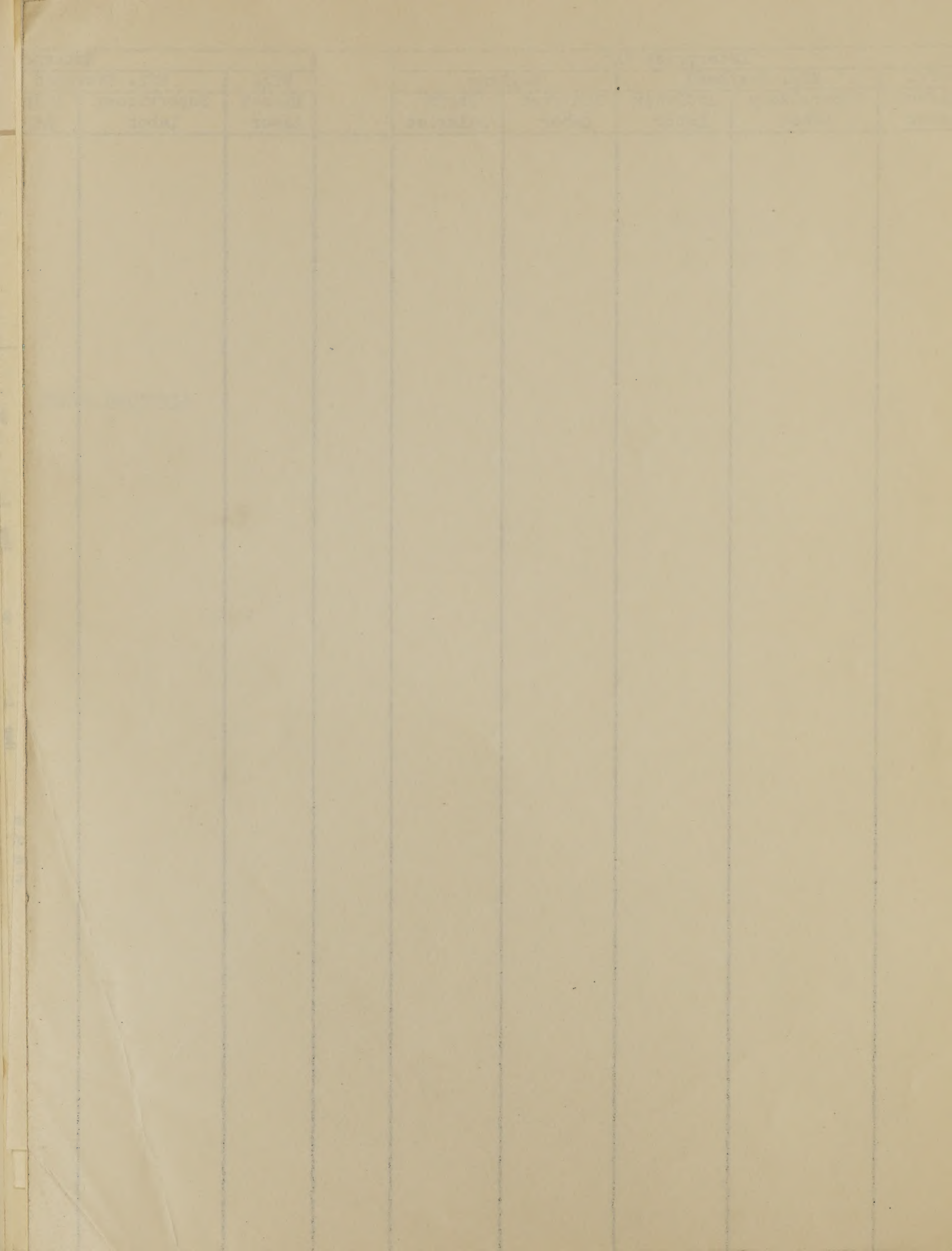
Exhibit "R"

PAYROLL REGISTER



[illegible]





Recommended Depreciation RatesFor Cooperative Associations

		Percent per
		<u>Annum</u>
Office Furniture and Equipment		10
<u>Farm Machinery and Equipment</u>		
Binders and Reapers (Grain)		7
Blacksmith Shop Equipment		6 2/3
Cream Separators		10
Cultivators		8 1/3
Drills and Seeders		6 2/3
Drags and Harrows		7
Incubators and Brooders		7
Harness		14
Grain Separators		6 2/3
Gas Engines		11
Feed Grinders		6 2/3
Mowers (Farm)		7
Shredders		6 2/3
Rakes		6 2/3
Horse Drawn Vehicles		12 1/2
Spraying Equipment		10
<u>Motor Equipment</u>		
Automobiles		25
Trucks		25
Tractors		16 2/3
Trailers		16 2/3
<u>Construction Equipment</u>		
Scrapers (Drag. Fresno, etc.)		25
Chains		20
Concrete Mixers		25
Derricks		10
Graders		20
Sand Screens		20
Rock Crushers		16 2/3
<u>Buildings</u>	<u>Masonry</u>	<u>Frame</u>
<u>Dwellings:</u>		
1 Family	2	3
2, 3, 4 Family	3	3 1/3
Machine Shops	3 1/2	4
Warehouses	2 1/4	2 6/7
Barns or Sheds	2	4



